

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other				Local Government Name		County	
Audit Date		Opinion Date		Date Accountant Report Submitted to State:			

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☐ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☐ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☐ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☐ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☐ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☐ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☐ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☐ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			
Reports on individual federal financial assistance programs (program audits).			
Single Audit Reports (ASLGU).			

Certified Public Accountant (Firm Name)				
Street Address		City	State	ZIP Code
Accountant Signature			Date	

HOWELL AREA
FIRE AUTHORITY

REPORT ON AUDIT OF
FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2005

HOWELL AREA FIRE AUTHORITY

AUTHORITY BOARD MEMBERS

William Bamber - Chairperson
Thomas Malloy - Vice Chairperson
Mark Fosdick - Secretary
Gary McCrie - Treasurer
Michael Coddington - Trustee
Robert Hanvey - Trustee

OTHER AUTHORITY BOARD MEMBERS (non-voting)

Barbara Souchick - Assistant Secretary/Assistant Treasurer

ATTORNEY

Gentry Law Offices, P.C.

AUDITORS

Pfeffer, Hanniford & Palka
Certified Public Accountants

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PFEFFER ■ HANNIFORD ■ PALKA
Certified Public Accountants

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September 26, 2005

Board of Trustees
Howell Area Fire Authority
1211 W. Grand River
Howell, Michigan 48843

INDEPENDENT AUDITORS' REPORT

Honorable Board of Trustees:

We have audited the accompanying financial statements of the Howell Area Fire Authority as of and for the year ended June 30, 2005. These financial statements are the responsibility of the Authority Board. Our responsibility is to express an opinion on these financial statements based on the audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the government activities of the Howell Area Fire Authority, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year end in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and other Required Supplementary Information on pages 6 - 9 and pages 29 and 30 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Howell Area Fire Authority's basic financial statements. The supplementary information presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, fairly states in all material respects in relation to the basic financial statements as a whole.

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants

MANAGEMENT
DISCUSSION
AND
ANALYSIS

Management Discussion and Analysis June 30, 2005

Within this section of the Howell Area Fire Authority's annual financial report, the Authority's management is providing a narrative discussion and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2005. This narrative discusses and analyzes the activity within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the Authority's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the Authority's basic financial statements. The basic financial statements include government-wide financial statements, fund financial statements, and notes to the financial statements. The Authority also includes in this report additional information to supplement the basic financial statements.

Government-Wide Financial Statements

The Authority's annual reports include two government-wide financial statements. These statements provide both long-term and short-term information about the Authority's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Assets. This is the Authority-wide statement of position presenting information that includes all the Authority's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Authority as a whole is improving or deteriorating. Evaluation of the overall health of the Authority may extend to various non-financial factors as well.

The second government-wide statement is the Statement of Activities which reports how the Authority's net assets changed during the current fiscal year. The design of this statement is to show the financial reliance of the Authority's distinct activities or functions on the revenues generated by the Authority.

Both government-wide financial statements distinguish governmental activities of the Authority that are intended to recover all or a significant portion of their costs through user fees and charges or by taxes collected. The Authority's financial reporting includes all the funds of the Authority and, additionally, organizations for which the Authority is accountable.

Fund Financial Statements

A fund is an accountable unit used to maintain control over resources segregated for specific activities or objectives. The Authority uses funds to ensure and demonstrate compliance with finance-related laws and regulations.

The Authority has one kind of fund, governmental fund. *Governmental funds* are reported in the financial statements and encompass essentially the same functions as governmental activities in the government-wide financial statements except with a different focus on the financial activity. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of these resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term. Since the focus of the government-wide financial statements includes a long-term view, a reconciliation of these fund balances has been completed to detail its relation to net assets.

Notes to the financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of both the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Other supplementary information includes detail by fund for receivables, payables, transfers, and payments within the reporting entity.

Financial Analysis of the Authority as a Whole

The Authority has implemented the new financial reporting model used in this report beginning with the prior fiscal year ended June 30, 2004. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the Authority as a whole.

The Authority's net assets at the end of the fiscal year were \$1,673,203. This is a \$36,657 decrease over last year's net assets of \$1,709,860.

The following tables provide a summary of the Authority's financial activities and changes in net assets:

Summary of Net Assets

	Governmental Activities	
	<u>06/30/2004</u>	<u>06/30/2005</u>
Current and other assets	\$ 597,929	\$ 765,154
Capital assets	1,153,760	1,012,980
Total assets	<u>1,751,689</u>	<u>1,778,134</u>
Accounts payable	7,980	12,903
Accrued expenses	33,849	36,679
Capital leases payable		55,349
Total liabilities	<u>41,829</u>	<u>104,931</u>
Net assets:		
Invested in capital assets	1,153,760	957,631
Unrestricted	556,100	715,572
Total net assets	<u>\$ 1,709,860</u>	<u>\$ 1,673,203</u>

Summary of Changes in Net Assets

	Governmental Activities	
	<u>6/30/2004</u>	<u>6/30/2005</u>
Revenues:		
Program revenues		
Charges for services	\$ 298,063	\$ 320,000
Operating grants and contributions	154,755	16,783
Capital contributions	475,520	
General revenues		
Fire millage	1,462,828	1,577,705
Other	13,206	19,733
Total revenues	<u>2,404,372</u>	<u>1,934,221</u>
Expenses for fire protection	<u>1,757,451</u>	<u>1,970,878</u>
Increase in net assets	646,921	(36,657)
Beginning net assets	<u>1,062,939</u>	<u>1,709,860</u>
Ending net assets	<u><u>\$ 1,709,860</u></u>	<u><u>\$ 1,673,203</u></u>

Changes in Financial Status and Analysis of Authority's Fund

The decrease in net assets is partially a result of depreciation expense of \$140,780 (non-cash outlay). The net decrease of \$36,657 is close to a break-even when the type of entity is considered.

The prior year June 30, 2004 included contributions from member municipalities for the first six months of operations plus the first year of a five year millage rate at 1.10 mills.

Under fund accounting the Authority's overall fund balance increased \$159,472. This is the first year the Authority broke-out into a separate accounting fund the capital reserves. The Authority Board approved .10 mills of the total 1.10 mills go into a separate capital reserve fund to be used only for future capital outlay.

Budgetary Highlights

The budget originally adopted resembles the final amended budget with some small adjustments on the revenue side. This was due to the Authority subsequently finding it would not get \$29,000 from another municipality the Authority usually contracts fire services. The expenditures budget was not changed.

Capital Asset and Debt Administration

The Authority purchased equipment for \$5,735 paying cash and also purchased three vehicles for \$75,267 financed with a capital lease over a three year period.

Economic Conditions and Future Activities

Future operations will be funded primarily by property taxes collected. However, the Authority has dedicated 0.1 mills of these collections to be set aside for future capital improvements. For the year ended June 30, 2005 a total of \$138,160 was collected for these improvements. This amount is expected to increase slightly every year due to increases in the tax base.

Contacting the Authority's Financial Management

This report is designed to provide a general overview of the Authority's financial position and comply with finance-related regulations. If you have any further questions about this report or request additional information please contact the Howell Area Fire Authority at 1211 W. Grand River, Howell, MI 48843.

BASIC
FINANCIAL
STATEMENTS

GOVERNMENT - WIDE
FINANCIAL STATEMENTS

HOWELL AREA FIRE AUTHORITY
STATEMENT OF NET ASSETS
JUNE 30, 2005

	Primary Government - Governmental Activities
<u>ASSETS</u>	
Cash and cash equivalents	\$ 712,323
Accounts receivable	13,280
Prepaid expenses	39,551
Capital assets	
Machinery and equipment	\$ 433,812
Vehicles	2,269,588
Leasehold improvements	7,278
Less accumulated depreciation	<u>(1,697,698)</u>
Net capital assets	<u>1,012,980</u>
Total assets	<u>1,778,134</u>
<u>LIABILITIES</u>	
Accounts payable	12,903
Accrued wages	9,329
Accrued vacation and sick	27,350
Capital leases payable	
Current portion	17,583
Non-current portion	<u>37,766</u>
Total liabilities	<u>104,931</u>
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	957,631
Unrestricted	<u>715,572</u>
Total net assets	<u><u>\$ 1,673,203</u></u>

The notes are an integral part of the financial statements.

PFEFFER, HANNIFORD & PALKA

Certified Public Accountants

HOWELL AREA FIRE AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net Governmental Activities</u>
Governmental activities:				
Fire protection	\$ (1,970,528)	\$ 320,000	\$ 16,783	\$ (1,633,745)
Interest on long-term debt	<u>(350)</u>			<u>(350)</u>
Total	<u>\$ (1,970,878)</u>	<u>\$ 320,000</u>	<u>\$ 16,783</u>	<u>(1,634,095)</u>
General Revenues:				
				1,577,705
				12,007
				<u>7,726</u>
				<u>1,597,438</u>
				(36,657)
				<u>1,709,860</u>
				<u>\$ 1,673,203</u>

The notes are an integral part of the financial statements.

FUND
FINANCIAL
STATEMENTS

HOWELL AREA FIRE AUTHORITY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2005

	<u>Major Funds</u>		
	<u>General</u>	<u>Capital Reserve Equipment Fund</u>	<u>Total</u>
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 579,145	\$ 133,178	\$ 712,323
Accounts receivable	13,280		13,280
Due from other funds		5,312	5,312
Prepaid expenditures	<u>39,551</u>	<u></u>	<u>39,551</u>
Total assets	<u>\$ 631,976</u>	<u>\$ 138,490</u>	<u>\$ 770,466</u>
<u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Accounts payable	\$ 12,042	\$	\$ 12,042
Accrued wages	9,329		9,329
Accrued vacation and sick	27,350		27,350
Accrued pension and withholding	861		861
Due to other funds	<u>5,312</u>	<u></u>	<u>5,312</u>
Total liabilities	<u>54,894</u>	<u></u>	<u>54,894</u>
FUND BALANCES			
Unreserved	560,837		560,837
Designated	<u>16,245</u>	<u>138,490</u>	<u>154,735</u>
Total fund balances	<u>577,082</u>	<u>138,490</u>	<u>715,572</u>
Total liabilities and fund balances	<u>\$ 631,976</u>	<u>\$ 138,490</u>	<u>\$ 770,466</u>

The notes are an integral part of the financial statements.

HOWELL AREA FIRE AUTHORITY
RECONCILIATION OF STATEMENT OF NET ASSETS
OF GOVERNMENTAL FUNDS TO THE BALANCE SHEET
JUNE 30 2005

Amounts reported for governmental activities in the Statement
of Net Assets are different because:

Total fund balance per balance sheet	\$ 715,572
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	
Historical cost	\$ 2,710,678
Depreciation	<u>(1,697,698)</u>
Capital assets net of depreciation	1,012,980
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:	
Capital leases payable	<u>(55,349)</u>
Net assets of governmental activities	<u>\$ 1,673,203</u>

The notes are an integral part of the financial statements.

HOWELL AREA FIRE AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

	Major Funds		
	General	Capital Reserve Equipment Fund	Total
REVENUES			
Fire millage	\$ 1,577,705	\$	\$ 1,577,705
Donations	7,271		7,271
Charges for services	320,000		320,000
Grant - federal	9,512		9,512
Interest	11,677	330	12,007
Miscellaneous	<u>7,726</u>		<u>7,726</u>
Total revenues	<u>1,933,891</u>	<u>330</u>	<u>1,934,221</u>
EXPENDITURES			
Personnel	1,291,722		1,291,722
Capital outlay	93,980		93,980
Other fire protection expenditures	<u>464,314</u>		<u>464,314</u>
Total expenditures	<u>1,850,016</u>		<u>1,850,016</u>
Excess of revenues over (under) expenditures	<u>83,875</u>	<u>330</u>	<u>84,205</u>
OTHER FINANCING SOURCES (USES)			
Lease proceeds	75,267		75,267
Transfers in		138,160	138,160
Transfers (out)	<u>(138,160)</u>		<u>(138,160)</u>
Total other financing sources (uses)	<u>(62,893)</u>	<u>138,160</u>	<u>75,267</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	20,982	138,490	159,472
FUND BALANCE, JULY 1, 2004	<u>556,100</u>		<u>556,100</u>
FUND BALANCE, JUNE 30, 2005	<u>\$ 577,082</u>	<u>\$ 138,490</u>	<u>\$ 715,572</u>

The notes are an integral part of the financial statements.

HOWELL AREA FIRE AUTHORITY
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - governmental funds	\$ 159,472
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Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their useful lives as depreciation expense. The amount by which capital outlays exceeded depreciation is as follows:

Capital outlay	\$ 81,002	
Depreciation expense	<u>(221,782)</u>	
Total		(140,780)

Repayment of capital lease debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets
Repayment of:

Capital leases payable	19,918
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Proceeds from long-term debt provide current financial resources to governmental funds, but the issuing of debt increase long-term liabilities in the Statement of Activities

Proceeds from capital leases	<u>(75,267)</u>
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Change in net assets of governmental activities	<u>\$ (36,657)</u>
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The notes are an integral part of the financial statements.

NOTES
TO
FINANCIAL
STATEMENTS

HOWELL AREA FIRE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The Howell Area Fire Authority was organized under Public Act No. 57, of the Public Acts of 1988, as amended in December of 2001. The Authority approved a fiscal year-end date of June 30. The purpose of the Authority is to provide fire protection and other emergency health and safety services. The governing board of the Authority is made up of six board members. Five of those board members come from the following incorporating municipalities:

- City of Howell
- Cohoctah Township
- Marion Township
- Oceola Township
- Howell Township

The sixth board member comes from Genoa Township which is not an incorporating municipality. A portion of Genoa Township is served by the Howell Area Fire Authority (Genoa Township is an incorporating municipality of the Brighton Area Fire Authority which contracts with the Howell Area Fire Authority). Each board member is selected by its respective municipality board of trustees.

The six board members appoint its own officers as well as select one additional non-voting member for the position of assistant treasurer and assistant secretary.

In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 39 "The Financial Reporting Entity", these financial statements present all activities of the Authority. There are no component units of the Authority using the criteria established by the GASB for determining the reporting entity.

B. BASIC FINANCIAL STATEMENTS

In accordance with GASB Statement No. 34 - *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, the basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (Statement of net Assets and Statement of Activities) report on the Authority as a whole. All activities are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the Authority as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

HOWELL AREA FIRE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

The government-wide Statement of Net Assets reports all financial and capital resources of the Authority. It is displayed in a format of assets less liabilities equals net assets, with the assets and liabilities shown in order of their relative liquidity.

The government-wide Statement of Activities demonstrates the degree to which both direct and indirect expenses of the various functions and programs of the Authority are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Indirect expenses for administrative overhead are allocated among the functions and activities using a full cost allocation approach and are presented separately to enhance comparability of direct expenses between governments that allocate direct expenses and those that do not. Program revenues include: 1) charges to customers or users who purchase, use or directly benefit from goods, services or privileges provided by a particular function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes, unrestricted investment income and other revenues not identifiable with particular functions or programs are included as general revenues. The general revenues support the net costs of the functions and programs not covered by program revenues.

Also, part of the basic financial statements are fund financial statements for the governmental funds. The focus of the fund financial statements is on major funds, as defined by GASB Statement No. 34. Although this reporting model sets forth minimum criteria for determination of major funds (a percentage of assets, liabilities, revenues, or expenditures of fund category and of the governmental funds combined), it also gives governments the option of displaying other funds as major funds. Other non-major funds are combined in a single column on the fund financial statements.

The Authority reports the following major governmental funds:

The General Fund is the Authority's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Capital Reserve Equipment Fund accounts for the activity associated with the acquisition of capital assets. This fund is supported by the General Fund transfers.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The governmental fund financial statements are prepared on a current financial resources measurement focus and modified accrual basis of accounting. To conform to the modified accrual basis of accounting, certain modifications must be made to the accrual method. These modifications are outlined below:

1. Revenue is recorded when it becomes both measurable and available (received within 60 days after year-end). Revenue considered susceptible to accrual includes: property taxes, sales and use taxes, transient occupancy taxes, licenses, fees and permits, intergovernmental revenues (including motor vehicle license fees), charges for services, fines, forfeits and penalties, and interest.

HOWELL AREA FIRE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

2. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.
3. Disbursement for the purchase of capital assets providing future benefits are considered expenditures. Any bond proceeds are reported as another financing source.

With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balance as a measure of available spendable resources.

This is the traditional basis of accounting for governmental funds and also is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to: 1) demonstrate legal and covenant compliance, 2) demonstrate the sources and uses of liquid resources, and 3) demonstrate how the Authority's actual revenues and expenditures conform to the annual budget. Since the governmental funds financial statements are presented on a different basis than the governmental activities column of the government-wide financial statements, a reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

D. CAPITAL ASSETS

Under GASB Statement No. 34, all capital assets are recorded and depreciated in the government-wide financial statements. No long-term capital assets or depreciation are shown in the governmental funds financial statements.

Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

E. MANAGEMENT ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

HOWELL AREA FIRE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

F. BUDGETS

An annual operating budget on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America is formally adopted for the General and Capital Reserve Funds. The budget can be amended by approval from the Authority's Board and the member municipalities. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year. All annual appropriations lapse at the fiscal year end.

G. RISK MANAGEMENT

The Authority is exposed to various risks of loss pertaining to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Authority has purchased commercial insurance for these claims. Settled claims related to the commercial insurance have not exceeded the amount of insurance coverage.

H. ACCRUED COMPENSATED ABSENCES

The Authority has recorded a liability for compensated absences of the fire department. The policies regarding compensated absences are outlined in the Authority's "Rules of Employment".

NOTE 2 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2005 was as follows:

	<u>Balances</u> <u>7-01-04</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>6-30-05</u>
Equipment	\$ 428,077	\$ 5,735	\$	\$ 433,812
Leasehold improvements	7,278			7,278
Vehicles	<u>2,194,321</u>	<u>75,267</u>	<u> </u>	<u>2,269,588</u>
	2,629,676	81,002		2,710,678
Accumulated depreciation	<u>(1,475,916)</u>	<u>(221,782)</u>	<u> </u>	<u>(1,697,698)</u>
Governmental activities capital asset, net	<u>\$ 1,153,760</u>	<u>\$ (140,780)</u>	<u>\$</u>	<u>\$ 1,012,980</u>

Depreciation expense is being recorded solely for fire protection services. The Authority utilizes the straight line method to depreciate capital assets over their estimated useful lives. There was \$55,349 of capital lease long-term debt associated with these assets.

HOWELL AREA FIRE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 3 - CAPITAL LEASE PAYABLE

The Authority has entered into a capital lease with Ford Motor Credit Company to finance the purchase of three Ford Expedition vehicles. The lease calls for annual payments of \$20,268 with an interest rate of 4.85% included with each annual payment. The lease expires during the year ended June 30, 2008.

	<u>Balance at 7-1-04</u>	<u>Lease Proceeds</u>	<u>Principle Paid</u>	<u>Balance at 6-30-05</u>
Capital lease payable Ford Motor Credit	\$	\$ 75,267	\$ 19,918	\$ 55,349

The following is a schedule of principle and interest payments to service the capital lease obligations of the Authority:

	<u>Capital Lease Payable</u>	
	<u>Principle</u>	<u>Interest</u>
2005-2006	\$ 17,583	2,684
2006-2007	18,436	1,832
2007-2008	<u>19,330</u>	<u>938</u>
Total	\$ <u>55,349</u>	\$ <u>5,454</u>

NOTE 4 - LEASE AGREEMENTS - (BUILDINGS)

The Authority has lease agreements for buildings which house offices, equipment and vehicles. The following is a schedule of lease terms and lessors:

<u>LESSOR</u>	<u>LEASE TERMS - JULY 1, 2004 THROUGH JUNE 30, 2005</u>
1. City of Howell - Fire station and sub-station (2 buildings)	Lease charge is \$68,702
2. Marion Township - Fire Station	Lease charge is \$19,658
3. Cohoctah Township - Fire Station	Lease charge is \$12,000
4. Oceola Township - Fire Station	Lease charge is \$23,652
5. Genoa Township - Fire Station	Lease charge is \$17,176

These leases are renewed annually. The Authority does not expect a significant variance in annual commitments for the lease terms for the year ending June 30, 2006.

HOWELL AREA FIRE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 5 - DEFINED BENEFIT PLAN -
MICHIGAN MUNICIPAL EMPLOYEES RETIREMENT SYSTEM (MERS)

The Authority provides a defined benefit pension plan under MERS. MERS is an agent multiple-employer, state-wide, defined benefit public employee retirement plan created under Public Act 135 of 1945 and now operates under Public Act 220 of 1996. MERS was established by the State of Michigan for purposes of providing retirement, survivor and disability benefits on a voluntary basis to the State's local government employees. Under Public Act 220, MERS became an independent public non-profit corporation independent from State government. The effective date of independence was August 16, 1996, at which time MERS ceased to be a part of the State of Michigan, Department of Management and Budget.

As of June 30, 2005 the Authority had four covered employees and 82 total employees. Covered and total payrolls for the year then ended was \$187,775 and \$1,032,137 respectively. Currently there are no retirants receiving benefits from the plan. Total employer contributions made to the plan during the year ended was \$24,257.

At December 31, 2004, the unfunded pension liability was \$116,526, determined as follows:

Actuarial Accrued Liability

Retirees and beneficiaries currently receiving benefits	\$ 0
Terminated employees not yet receiving benefits	0
Current employees - Accumulated employee contributions including allocated investment income	 20,471
Employer financed	<u>288,151</u>
Total actuarial accrued liability	308,622
Net assets available for benefits at actuarial value	<u>192,096</u>
Unfunded actuarial accrued liability	<u>\$ 116,526</u>

HOWELL AREA FIRE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

**NOTE 5 - DEFINED BENEFIT PLAN -
MICHIGAN MUNICIPAL EMPLOYEES RETIREMENT SYSTEM (MERS) – (continued)**

The combined change in the pension benefit resulting from benefit changes, if any, and revisions in actuarial assumptions is 0.053632.

Analysis of Funding Progress

<u>Valuation Date December 31</u>	<u>Net Assets Available for Benefits</u>	<u>Pension Benefit Obligation (PBO)</u>	<u>Percent Funded (1)/(2)</u>	<u>Unfunded (Overfunded) PBO (2)-(1)</u>	<u>Annual Covered Payroll</u>	<u>Unfunded PBO as a % of Covered Payroll</u>
2004	\$ 192,096	\$ 308,622	62%	\$ 116,526	\$ 187,775	62%

NOTE 6 - EMPLOYEE RETIREMENT PLAN

The Authority participates in an I.C.M.A. Defined Contribution Pension Plan for Michigan Authority employees. This is a single-employer plan. During the year ended June 30, 2005 only full time employees were eligible to participate in the plan, including the Fire Chief. The Authority contributes a stated amount of \$9,731 annually for the benefit of the Fire Chief. There were no employer contributions made on behalf of other employees during the year ended June 30, 2005.

Beginning in the year ended June 30, 2006, all full-time, part time, and on call employees will be eligible to participate in the plan, with the Authority matching 2% of employee contributions.

TOTAL CURRENT YEAR EMPLOYER CONTRIBUTIONS \$ 9,731

TOTAL CURRENT YEAR EMPLOYEE CONTRIBUTIONS \$ 6,869

These balances reflect contributions for the period from June 1, 2004 to June 30, 2005.

NOTE 7 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the Authority to deposit and invest in the accounts of federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligation repurchase agreements; bankers; acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan. The Authority deposits are in accordance with statutory authority. The Authority maintains an imprest petty cash balance of \$250.

HOWELL AREA FIRE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 7 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS - (continued)

The Governmental Accounting Standards Board Statement No. 3 risk disclosures for the Authority's deposits are as follows:

<u>Deposits</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured	\$ 100,000	\$ 100,000
Uninsured and uncollateralized	<u>612,073</u>	<u>638,282</u>
	<u>\$ 712,073</u>	<u>\$ 738,282</u>

NOTE 8 - DESIGNATED FUND BALANCE

As of June 30, 2005 the Authority's fund balance was designated for the following purposes:

• Capital reserved	\$ 138,490
• Fire Safety House	5,740
• K-9	2,321
• Dive Team	<u>8,184</u>
Total	<u>\$ 154,735</u>

The designated balance is a net result of outside donations and expenditures for the above purposes, except for the capital reserved. The capital reserved balance represents a portion of the property taxes to be designated for future capital purchases.

REQUIRED
SUPPLEMENTARY
INFORMATION

HOWELL AREA FIRE AUTHORITY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005

	Budget			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Fire millage	\$ 1,466,436	\$ 1,466,436	\$ 1,577,705	\$ 111,269
Donations			7,271	7,271
Interest	2,400	2,400	11,677	9,277
Grant			9,512	9,512
Charges for services	369,000	340,000	320,000	(20,000)
Miscellaneous			<u>7,726</u>	<u>7,726</u>
Total revenues	1,837,836	1,808,836	1,933,891	125,055
EXPENDITURES	<u>1,742,648</u>	<u>1,742,648</u>	<u>1,850,016</u>	<u>(107,368)</u>
Excess of revenues over (under) expenditures	<u>95,188</u>	<u>66,188</u>	<u>83,875</u>	<u>17,687</u>
OTHER FINANCING SOURCES (USES)				
Capital lease proceeds			75,267	75,267
Transfers out	<u>(133,148)</u>	<u>(133,148)</u>	<u>(138,160)</u>	<u>(5,012)</u>
Total other financing sources (uses)	<u>(133,148)</u>	<u>(133,148)</u>	<u>(62,893)</u>	<u>70,255</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	(37,960)	(66,960)	20,982	87,942
FUND BALANCE, JULY 1, 2004	<u>556,100</u>	<u>556,100</u>	<u>556,100</u>	
FUND BALANCE, JUNE 30, 2005	<u>\$ 518,140</u>	<u>\$ 489,140</u>	<u>\$ 577,082</u>	<u>\$ 87,942</u>

HOWELL AREA FIRE AUTHORITY
CAPITAL RESERVE EQUIPMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budgets</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Interest	\$	\$	\$ 330	\$ 330
EXPENDITURES				
Excess of revenues over (under) expenditures			330	330
OTHER FINANCING SOURCES				
Transfers in	<u>133,148</u>	<u>133,148</u>	<u>138,160</u>	<u>5,012</u>
Excess of revenues over (under) expenditures and other financing sources	133,148	133,148	138,490	5,342
FUND BALANCE, JULY 1, 2004				
FUND BALANCE, JUNE 30, 2005	<u>\$ 133,148</u>	<u>\$ 133,148</u>	<u>\$ 138,490</u>	<u>\$ 5,342</u>

SUPPLEMENTARY
INFORMATION

HOWELL AREA FIRE AUTHORITY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES	<u>\$ 1,808,836</u>	<u>\$ 1,933,891</u>	<u>\$ 125,055</u>
EXPENDITURES			
Personnel	1,152,433	1,291,722	(139,289)
Professional fees	83,000	56,722	26,278
Insurance - liability	31,000	19,781	11,219
Supplies	35,000	37,372	(2,372)
Equipment and capital outlay	44,903	93,980	(49,077)
Communications	19,000	8,170	10,830
Uniforms	34,900	20,218	14,682
Training	31,500	21,026	10,474
Repairs and maintenance	51,000	41,151	9,849
Unallocated	38,774	48,005	(9,231)
City station #20	82,644	82,606	38
Marion street substation #21	21,408	21,299	109
Oceola fire station #22	38,702	39,113	(411)
Marion township station #23	30,658	26,906	3,752
Cohoctah township station #24	23,550	20,937	2,613
Genoa township station #34	<u>24,176</u>	<u>21,008</u>	<u>3,168</u>
Total expenditures	<u>1,742,648</u>	<u>1,850,016</u>	<u>(107,368)</u>
Net revenues over (under) expenditures	<u>66,188</u>	<u>83,875</u>	<u>17,687</u>
OTHER FINANCING SOURCES (USES)			
Capital lease proceeds		75,267	75,267
Transfers (out)	<u>(133,148)</u>	<u>(138,160)</u>	<u>(5,012)</u>
Total other financing sources (uses)	<u>(133,148)</u>	<u>(62,893)</u>	<u>70,255</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	(66,960)	20,982	87,942
FUND BALANCE, JULY 1, 2004	<u>556,100</u>	<u>556,100</u>	<u> </u>
FUND BALANCE, JUNE 30, 2005	<u>\$ 489,140</u>	<u>\$ 577,082</u>	<u>\$ 87,942</u>

HOWELL AREA FIRE AUTHORITY
GENERAL FUND
STATEMENT OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Fire Millage			
City of Howell	\$ 317,273	\$ 330,105	\$ 12,832
Howell Township	284,041	298,419	14,378
Marion Township	300,375	338,960	38,585
Oceola Township	334,196	362,702	28,506
Cohoctah Township	97,403	104,091	6,688
Reserved for capital replacement	133,148	143,428	10,280
Grant - Homeland Security		9,512	9,512
Genoa Township contract	320,000	320,000	
Deerfield Township - contract	20,000		(20,000)
Interest income	2,400	11,677	9,277
Miscellaneous revenue		7,726	7,726
Donations		<u>7,271</u>	<u>7,271</u>
Total revenues	<u>\$ 1,808,836</u>	<u>\$ 1,933,891</u>	<u>\$ 125,055</u>

HOWELL AREA FIRE AUTHORITY
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
PERSONNEL			
Salaries - fire personnel	\$	\$ 1,045,311	\$
Salaries - board		5,325	
Payroll taxes		78,938	
Health insurance		56,426	
Disability insurance		14,485	
Worker compensation insurance		54,504	
Unemployment insurance		1,047	
Pension		<u>35,686</u>	
Total personnel	<u>1,152,433</u>	<u>1,291,722</u>	<u>(139,289)</u>
PROFESSIONAL FEES			
Payroll administration		8,018	
Accounting services		5,160	
Fowlerville fire protection		30,504	
Auditor fees		9,765	
Computer support		305	
Attorney fees		<u>2,970</u>	
Total professional fees	<u>83,000</u>	<u>56,722</u>	<u>26,278</u>
INSURANCE			
General liability	<u>31,000</u>	<u>19,781</u>	<u>11,219</u>
SUPPLIES			
Office supplies		3,718	
Food and beverage		1,228	
Postage		1,151	
Operating supplies		<u>31,275</u>	
Total supplies	<u>35,000</u>	<u>37,372</u>	<u>(2,372)</u>
EQUIPMENT AND CAPITAL OUTLAY			
Small equipment		10,591	
Office furniture		5,796	
Capital outlay - trucks		75,267	
Computer equipment		<u>2,326</u>	
Total equipment and capital outlay	<u>44,903</u>	<u>93,980</u>	<u>(49,077)</u>

HOWELL AREA FIRE AUTHORITY
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
COMMUNICATIONS			
Pagers and radios		1,465	
Cellular phones		<u>6,705</u>	
Total communications	<u>19,000</u>	<u>8,170</u>	<u>10,830</u>
UNIFORMS			
Clothing allowance		4,328	
Protective clothing		<u>15,890</u>	
Total uniforms	<u>34,900</u>	<u>20,218</u>	<u>14,682</u>
TRAINING			
Public teaching		14,165	
Community promotion		3,433	
Seminars and conferences		2,900	
Educational supplies		<u>528</u>	
Total training	<u>31,500</u>	<u>21,026</u>	<u>10,474</u>
REPAIRS AND MAINTENANCE			
Repairs and maintenance - equipment		7,103	
Repairs and maintenance - radios		1,107	
Repairs and maintenance - vehicles		<u>32,941</u>	
Total repairs and maintenance	<u>51,000</u>	<u>41,151</u>	<u>9,849</u>
UNALLOCATED			
Capital lease (principal and interest) - vehicles		20,268	
Mileage		3,007	
Physicals and examinations		1,664	
Bank charges		15	
Dues and memberships		915	
Printing and publications		3,790	
Purchases from donations		7,772	
Hazardous material projects		9,745	
Tax chargebacks		<u>829</u>	
Total unallocated	<u>38,774</u>	<u>48,005</u>	<u>(9,231)</u>

HOWELL AREA FIRE AUTHORITY
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
CITY STATION #20			
Grounds maintenance		2,500	
Telephone		6,082	
Utilities		16,137	
Repairs and maintenance		2,343	
Lease - building		<u>55,544</u>	
Total city station #20	<u>82,644</u>	<u>82,606</u>	<u>38</u>
MARION STREET SUBSTATION #21			
Grounds maintenance		3,108	
Telephone		351	
Utilities		3,682	
Repairs and maintenance		1,000	
Lease - building		<u>13,158</u>	
Total Marion Street substation #21	<u>21,408</u>	<u>21,299</u>	<u>109</u>
OCEOLA FIRE STATION #22			
Grounds maintenance		1,858	
Telephone		28	
Utilities		11,571	
Repairs and maintenance		2,004	
Lease - buildings		<u>23,652</u>	
Total Oceola fire station #22	<u>38,702</u>	<u>39,113</u>	<u>(411)</u>
MARION TOWNSHIP STATION #23			
Grounds maintenance		296	
Telephone		499	
Utilities		4,195	
Repairs and maintenance		2,258	
Lease - building		<u>19,658</u>	
Total Marion Township station #23	<u>30,658</u>	<u>26,906</u>	<u>3,752</u>

HOWELL AREA FIRE AUTHORITY
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
COHOCTAH TOWNSHIP STATION #24			
Grounds maintenance		2,248	
Telephone		640	
Utilities		3,658	
Repairs and maintenance		2,391	
Lease - buildings		<u>12,000</u>	
Total Cohoctah Township station #24	<u>23,550</u>	<u>20,937</u>	<u>2,613</u>
GENOA TOWNSHIP STATION #34			
Telephone		682	
Utilities		3,150	
Lease - buildings		<u>17,176</u>	
Total Genoa Township station #34	<u>24,176</u>	<u>21,008</u>	<u>3,168</u>
Total expenditures	<u>\$ 1,742,648</u>	<u>\$ 1,850,016</u>	<u>\$ (107,368)</u>

HOWELL AREA FIRE AUTHORITY

COMMENTS
AND
RECOMMENDATIONS

FOR THE YEAR ENDED JUNE 30, 2005

September 26, 2005

Board of Trustees
Howell Area Fire Authority
1211 W. Grand River
Howell, Michigan 48843

Honorable Board of Trustees:

In planning and performing our audit of the financial statements of the Howell Area Fire Authority for the year ended June 30, 2005, we considered the Authority's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. Those matters are as follows:

1. COMMENT

The Authority is billed by the City of Howell for health insurance (Blue Cross/Blue Shield) because the Authority is covered under the City's plan. Several bills from the City did not provide a breakdown of employees for whom the Authority was being billed.

RECOMMENDATION

We suggest the Authority request a breakdown of employees for whom the Authority is paying health insurance on behalf.

2. COMMENT

While auditing payroll we found the payroll company was including on-call fire personnel names and wages on the quarterly unemployment tax reports. The State of Michigan considers on-call fire personnel as "volunteer" and therefore should not receive unemployment compensation if the employee is terminated from employment at the Authority or employment with another employer. Since the names are being included on the quarterly wage reports, these employees are given a benefit (if terminated) not deserved which the Authority is paying.

RECOMMENDATION

When the Authority calls in payroll to its payroll company, he or she needs to specifically inform the payroll company not to include on-call payroll personnel on the quarterly unemployment report which is sent to the State of Michigan.

3. COMMENT

Under the Authority's articles it is required to have all member municipalities' boards approve budgets. This can be a very timely process.

RECOMMENDATION

Since the Authority is now financed through a tax millage, the Authority may wish to have the Articles of Incorporation be amended to allow the Authority Board to approve all budgets and amended budgets. This would give the Authority more flexibility for economic realities.

This letter does not affect our report dated September 26, 2005 on the financial statements of the Howell Area Fire Authority.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and recommendations with various Authority personnel, and we will be pleased to discuss it in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This report is intended solely for the information and use of the Board of Trustees, and management of the Howell Area Fire Authority and is not intended to be and should not be used by anyone other than the specified parties.

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants